

## Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 STATE 041364

15

ORIGIN L-03

INFO OCT-01 ISO-00 ARA-16 AGR-20 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 SAM-01

NSC-10 SS-20 STR-08 CEA-02 H-03 PA-04 PRS-01 USIA-15

/180 R

DRAFTED BY L/ARA:DGANTZ:TK

APPROVED BY ARA/CEN: DAVID LAZAR

ARA/CEN/ES/H:MCOTTER

----- 086152

R 011946Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE STATE 041364

E.O.:11652:N/A

TAGS: EIND, EAGR, HO, US

SUBJECT: DECREE 103 - THE 51 PERCENT HONDURAN OWNERSHIP RULE

REF: TEGUCIGALPA 800

1. WHILE DEPARTMENT APPRECIATES VIEWS OF GOH OFFICIALS CONCERNING LACK OF ANY INTENT UPON PART OF GOH TO FORCE PARTIAL DIVESTMENT OF FOREIGN INTERESTS IN LUMBER INDUSTRY AT LESS THAN FAIR PRICES, WE WONDER WHETHER COMPANIES WILL BE WILLING TO RELY ON INFORMAL ASSURANCES OF GOH THAT GOH WILL NOT SANCTION COMPANIES FAILING TO MEET DECEMBER 31, 1974 DEADLINE. AS OF JANUARY 1, 1975, COMPANIES WOULD BE IN VIOLATION OF DECREE 103 AND FROM THAT TIME ON WOULD RUN WHAT IN OUR VIEW MIGHT BE A SUBSTANTIAL RISK OF ADVERSE ACTION BY GOH WHICH, UNDER THOSE CIRCUMSTANCES, WOULD HAVE LEGAL BASIS. WE ASSUME THAT  
LIMITED OFFICIAL USE  
LIMITED OFFICIAL USE

PAGE 02 STATE 041364

GOH, IF IT IN FACT DOES NOT PLAN TO APPLY LAW IN SUCH A DISCRIMINATORY AND PERHAPS CONFISCATORY MANNER, WILL

PROMULGATE REGULATIONS CLARIFYING THOSE PROVISIONS PROVIDING FOR DIVESTMENT AND SPECIFYING THE EXTENT OF THE "GOOD FAITH" EFFORTS COMPANIES WOULD HAVE TO SHOW IN ORDER NOT TO BE PENALIZED FOR FAILING TO MEET DECEMBER 31 DEADLINE.

2. WE AGREE WITH EMBASSY THAT VISIT BY ATTORNEY FROM

L/ARA LATER IN YEAR WOULD BE USEFUL TO DISCUSS DEVELOPMENTS FLOWING FROM DECREE 103 WITH APPROPRIATE GOH OFFICIALS. PERHAPS TRIP COULD BE ARRANGED TO COINCIDE WITH DESK OFFICER'S NEXT TRIP, NOW PLANNED FOR EARLY MAY. CASEY

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FORESTRY, LAW, LUMBER, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE041364  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DGANTZ:TK  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740374/aaaacqoo.tel  
**Line Count:** 74  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN L  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** TEGUCIGALPA 800  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 SEP 2002 by boyleja>; APPROVED <18-Sep-2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DECREE 103 - THE 51 PERCENT HONDURAN OWNERSHIP RULE  
**TAGS:** EIND, EAGR, HO, US  
**To:** TEGUCIGALPA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005